

FISCAL NOTE

HB 2748 - SB 3040

February 20, 2004

SUMMARY OF BILL: Allows employers of the same nonprofit business coalition or nonprofit business association for the encouragement of commerce in a locality or statewide to enter into an agreement to pool their liabilities for the purpose of qualifying as self-insurers and writing health insurance policies. Further, this bill provides certain requirements that such business coalitions or associations shall meet.

ESTIMATED FISCAL IMPACT:

Increase State Revenues - Exceeds \$100,000

**Increase State Expenditures - \$143,700 Recurring
\$5,000 One-Time**

Estimate assumes:

- coalitions and associations would pool their liabilities, qualify as self-insurers and offer health insurance. These entities would pay the premium tax on the premiums collected. Since these entities would be self-insured, they would not pay into the guaranty fund and would not be eligible for a corresponding reduction in their premium tax. It cannot be determined how many entities would qualify and offer health insurance or how many people would buy the health insurance offered. Further it cannot be determined if a person buying the insurance would be someone who previously did not have health insurance, someone who is buying additional health insurance or someone who is shifting their health insurance policy from one provider to another. However, it is estimated that allowing additional entities to offer health insurance will result in an increase in policies being written and an increase in the collection of the premium tax.
- an increase in state revenues from the collection of examination fees. The Department of Commerce and Insurance charges the costs of examinations back to the entity being examined.
- an increase in state expenditures for two insurance examiner positions to implement and monitor the provisions of this bill.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



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